

Message Text

CONFIDENTIAL

PAGE 01 TOKYO 12556 280810Z

17-12

ACTION COME-00

INFO OCT-01 EA-11 AID-20 CIAE-00 EB-11 FRB-02 INR-10

NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03 CIEP-02

OMB-01 SCEM-02 ISO-00 DRC-01 /084 W

----- 087218

R 280720Z SEP 73

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 7088

INFO AMEMBASSY JAKARTA

C O N F I D E N T I A L TOKYO 12556

E.O. 11652: GDS

TAGS: ENRG, EFIN, JA, ID

SUBJ: INDONESIAN LNG

REF: STATE 187536

SUMMARY: ACCORDING TO INDUSTRIAL BANK OF JAPAN SOURCE, SIGNATURE OF PERTAMINA-PACIFIC LIGHTING LNG CONTRACT CAME AS SOMEWHAT OF SHOCK TO JAPANESE, BUT JAPAN NOW BASING ALL ITS CALCULATIONS ON ASSUMPTION THIS CONTRACT WOULD BE APPROVED BY GOI. THIRTY-MAN JAPANESE DELEGATION, INCLUDING SEVERAL GOJ REPRESENTATIVES, WILL LEAVE SEPT 30 FOR 10 DAY VISIT TO JAKARTA TO DISCUSS LNG PROJECT. END SUMMARY.

1. EMBOFF MET SEPT 27 WITH TADASHI HASEGAWA, CHIEF MANAGER OF BUSINESS DEVELOPMENT DEPT OF INDUSTRIAL BANK OF JAPAN TO DISCUSS INDONESIAN LNG. (HASEGAWA WORKS CLOSELY WITH JAPANESE PROJECT COORDINATOR SOHEI NAKAYAMA, COUNCILOR OF THE INDUSTRIAL BANK.) HASEGAWA BEGAN BY NOTING THAT SIGNATURE OF CONTRACT BETWEEN PERTAMINA AND PACIFIC LIGHTING HAD COME AS SOMEWHAT OF SHOCK TO JAPAN. JAPANESE INTERESTS, HASEGAWA SAID, REALIZE THAT PL CONTRACT SUBJECT TO REVIEW BY INDONESIAN COUNCIL OF MINISTERS, INCLUDING TRADE MINISTER RADIUS. HOWEVER, THEY ALSO REALIZE STRENGTH OF PERTAMINA PRESIDENT DIRECTOR SUTOWO'S RELATIONSHIP WITH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 12556 280810Z

PRESIDENT SUHARTO, AND BELIEVE IT UNLIKELY THAT PL CONTRACT

WILL BE SUBJECTED TO ANY MAJOR CHANGES IN COURSE OF GOI REVIEW.

2. HASEGAWA ASSURED EMBOFF THAT JAPAN NOW BASING ALL ITS CALCULATIONS WITH RESPECT IMPORTS OF INDONESIAN LNG ON ASSUMPTION THAT 550 MILLION CUBIC FT PER DAY (OR ROUGHLY 3.5 MILLION TONS PER YEAR) WOULD GO TO THE US. SINCE CONFIRMED GAS RESERVES ARE LIMITED, AT LEAST FOR PRESENT, TO 10-12 MILLION PER YEAR IN TERMS OF OUTPUT, JAPANESE WILL TAKE REMAINDER OF GAS OR BETWEEN 6.5 - 8.5 MILLION TONS PER YEAR. HASEGAWA, HOWEVER, EMPHASIZED JAPANESE BELIEF THAT FINANCING AND EQUIPMENT SALES WOULD BE IN PROPORTION TO GAS PURCHASES BY TWO COUNTRIES, E.E. JAPANESE WOULD EXPORT (AND FINANCE) ABOUT TWICE AS MUCH OF NECESSARY EQUIPMENT FOR PROJECT AS WOULD US.

3. IN RESPONSE TO QUESTION RE JAPANESE SURVEY TEAM EXPECTED TO LEAVE FOR JAKARTA SHORTLY, HASEGAWA SAID 30-MAN JAPANESE MISSION WOULD LEAVE FOR JAKARTA ON SEPT 30 TO DISCUSS PROJECT WITH INDONESIANS. PRIVATE SIDE OF GROUP WILL BE HEADED BY MANAGING DIRECTOR OF KANSAI ELECTRIC CO. (ITCH) AND PUBLIC SIDE BY MITI PETROLEUM DEVELOPMENT DIV. DIRECTOR (TOYOSHIMA). REPRESENTATIVES OF SEVEN POTENTIAL GAS CONSUMERS, JAPAN EXIMBANK, OVERSEAS ECONOMIC COOPERATION FUND (OECF), AND JAPAN PETROLEUM DEVELOPMENT CORP (JPDC) WILL ALSO BE INCLUDED. HASEGAWA WILL ALSO PARTICIPATE AS GROUP "MODERATOR."

4. HASEGAWA ADDED THAT NO AGENDA HAD BEEN SET FOR TEN DAY VISIT. JAPANESE WOULD DISCUSS WHATEVER INDONESIANS DESIRED.

INGERSOLL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, NATURAL GAS, LPG, CARGO SHIPS, VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TOKYO12556
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS INGERSOLL
Errors: N/A
Film Number: n/a
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t1973092/aaaaaayi.tel
Line Count: 93
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 187536
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 16 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16-Nov-2001 by elyme>; APPROVED <18-Dec-2001 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INDONESIAN LNG
TAGS: ENRG, EFIN, JA, ID
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005